GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3882
ANSWERED ON:17.08.2000
REQUESTS FROM GOVERNMENT OF ANDHRA PRADESH
GADDE RAMAMOHAN;M.V.V.S MURTHI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a number of petroleum and natural gas related issues viz. interest free loan advance of Rs. 30 crores from ONGC for improving roads used by ONGC, allocation of sufficient gas for the Andhra Pradesh Gas Power Corporation Limited, request for Rs. 50 crores contribution from ONGC for Yanam Yedurrulanka bridge and request to review pricing formula for Naptha for power projects etc. have been submitted by the Government of Andhra Pradesh;

(b) if so, the reaction of the Government thereon; and

(c) the time by which these are likely to be cleared?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a): Requests were received from Government of Andhra Pradesh for
(i) interest free loan advance of Rs. 30 crores from Oil and Natural Gas Corporation Ltd. (ONGC),
(ii) allocation of sufficient gas for the Andhra Pradesh Gas Power Corporation Limited (APGPCL),
(iii) Contribution of Rs. 50 crores from ONGC for Yanam Yedurulanka bridge and
(iv) Review of pricing formula for Naptha for power projects etc.

(b) & (c): The request of Andhra Pradesh Government for interest free loan of Rs. 30 crores for taking up repairs and maintenance of roads could not be acceded to on account of certain constraints of ONGC.Regarding allocation of gas for the APGPCL, over and above the existing allocation of 0.50 Million Standard Cubic Meters of gas per Day (MMSCMD), an additional allocation of 0.82 MMSCMD of gas was made by the Government in favour of APGPCL.Regarding contribution for the bridge between Yanam and Yedurulanka, ONGC had agreed to contribute a sum of Rs. 10.00 crores in four installments of which the first installment of Rs. 2.50 crores has been released so far. Release of the second, third and final installment will be made on receipt of a certificate from the State Government of Andhra Pradesh that 40%, 70% and 100% of the construction work respectively has been completed.As regards, review of pricing formula for power project, pursuant to Government decision of November, 1997 on the phased dismantling of Administered Pricing Mechanism (APM), the prices of Naptha have been decontrolled with effect from 1.4.1998.Oil companies fix the prices of these products based on market considerations.